

## SPECIAL POINTS OF INTEREST:

- Addition of CPC's see Ac 101.06
- Additional verification of employer see Ac 300
- Renewals Due June 30th see Ac 401.04
- Required compliance with claims see Ac 401.04 (6)
- New Inactive Status see Ac 401.06
- New Outsourcing requirements see Ac 404.02

## INSIDE THIS ISSUE:

Mobility, 2  
Peer Review  
& CPE Au-  
dits

Investiga- 3  
tions  
Experience &  
CPA Exam

Board Staff 4  
& Board  
Members

# Updates from the New Hampshire Board of Accountancy

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## New Hampshire Board Adopts New Administrative Rules

This newsletter will serve to highlight the recent changes and complete re-write of the Board of Accountancy's Administrative Rules. When the Board began the project of re-writing the rules it was mainly due to the adoption of RSA 309-B in 1998. This new legislation required a complete re-write of the rules with additions and deletions.

We would like to point out the major changes which may effect your renewal of your personal CPA license and your firm practice as a CPA or PA.

### Chapter 100

This Chapter defines commonly used terms throughout the rules. We have added Contadores Publicos Certificado from Mexico. These individuals may obtain a certificate in New Hampshire by taking the IQEX exam, and meeting the education and experience requirements in New Hampshire. These individuals may also under certain circumstances sign experience letters for certification candidates.

### Chapter 200

This chapter outlines the procedures for disciplinary actions and public hearings. Although basically the same in content these rules have been rearranged and we have added what we believe to be clarity and additional detail regarding the procedures.

### Chapter 300

This Chapter outlines the certification, registration and permit requirements. Changes in this chap-

ter included the new requirement that applicants for certification include a copy of their passport or license and a copy of the verifying employers license or passport also. Ac 301.04 increased fees for most applications and renewals while Ac 302.04 expanded and defined "Good Character".

### Chapter 400

This chapter outlines the renewal procedures for all licensees new and renewing registrations and the continuing education requirements. Ac 401.04 requires that you renew your license in the year it is due by June 30th of that year. Ac 401.06 establishes an Inactive Status, Ac 404.02 requires notification of outsourcing, Ac 404.03 details retention of client records and Ac 404.04 defines claims against licensees.

Please review these changes on line at [www.nh.gov/accountancy](http://www.nh.gov/accountancy). If you are unable to download the rules, please contact us and we will send you a copy for .20 per page.

## Renewing Your License On Line June 2008

### CPA's Renewing Licenses On Line

By this time most of you have experienced the on line renewal system which went live in 2002. It had to be disabled in 2006 due to technical problems. Then in 2007 the NH State IT Department took over the project and we went live again in 2007. Current projections indicate that over 90% renewed on line. This process is cost and time effective for

both parties. By choosing the on line renewal, the system updates your file automatically. If you choose to have your license sent to you electronically the license and carryforward statement is emailed to you instantaneously upon approval. **Starting with the 2008 renewal for the licensees who's last names start with A-F, the renewal must be filed on or before June 30, 2008.** There is no longer a 62 day grace period after June 30, 2008 to submit

a completed renewal. Please plan your CPE courses accordingly. Upon receipt of a completed renewal the Board will have 90 days to act on the renewal application.

Licensees are required to submit 0,40, 80 or 120 hours of CPE, depending on the length of time licensed. Please do not forget the ethics requirement, (if applicable) and to enter the date and number of hours you earned on your renewal.



## Mobility, is it right for New Hampshire?

*The premise is that if you or your state is substantial equivalent to the state you wish to practice in and as long as you hold a current license to practice and are not performing "Attest" work there is no need to notify or pay a fee to the state you want to practice in.*



## Mobility

There is a movement currently taking place across the United States regarding the ability to practice across state lines without the need to obtain a license or certificate in that state. This privilege extends to firms not offering or rendering "Attest" services. The term "Substantially Equivalency" dates back to 1998 when the first Uniform Accountant Act (UAA) was introduced. Since that time the UAA itself has been revised several times. The premise is that if you or your state is substantial equivalent to the state you wish to practice in and as long as you hold a current license to practice and are not performing "Attest" work, there is no

need to notify or pay a fee to the state you want to practice in; however, there are restrictions and requirements to be met in this concept, this is only a very simple version of the concept and you should, as a practitioner, become familiar with the actual laws and rules. The main issue facing New Hampshire is that we are not substantially equivalent to most other states due to our education requirement; however, the UAA will waive the education requirement until January 1, 2012. At the time this article is written there is consideration of additional changes to the current version of the UAA. The Board strongly suggests you review

the Uniform Accountancy Act and the Uniform Accountancy Rules as adopted by NASBA and the AICPA on July 12 and 27, 2007. The New Hampshire Board has not taken any formal position on this matter at this time. Senate Bill 347 establishes a study committee to review the issue of mobility and to possibly introduce legislative changes to the current Board of Accountancy laws to allow for mobility in New Hampshire. The Board will be discussing this matter and asks for comments and input from the general public and licensees. Your opinion on this and any matter pertaining to the practice of accountancy is important to the Board. You may download the latest version of the UAA at [www.nasba.org](http://www.nasba.org) or [www.aicpa.org](http://www.aicpa.org). If legislative changes are proposed you will be notified and a public hearing will be held.

## Peer Reviews

Firms that perform the following services are required to obtain a satisfactory peer review once every three years:

Audit or other engagement, any review of a financial statement, compilation of a financial statement or any examination of prospective financial statements to be performed in accordance with the AICPA Auditing Standards or

Statements on Standards for Accounting and Review Services or Standards for Attestation Engagements.

The firm must comply with RSA 309-B: 8 VIII (b) and Ac 301.12.

A CPA firm and sole proprietors practicing public accounting as a CPA are considered firms and therefore must register as a firm and if issuing re-

ports must obtain a satisfactory peer review. If your firm issues reports in one year and then decides to stop that service, you may still be subject to the peer review requirement. Please check with the Board if you should have any questions regarding peer review. At this time New England Peer Review and Mass. Assoc. of Public Accountants are performing peer reviews.

## CPE Audits and Certificates of Completion?

With the adoption of RSA 309-B, licensees no longer have to submit a detailed and documented CPE renewal. At this time licensees are only required to submit a total of the CPE hours they have earned in their renewal period. Upon approval of the renewal the licensees certificate number is added to a pool of all the CPA's who have renewed

that period. At a public meeting of the Board randomly chooses 10 % of the licensees that renewed. Those CPA's must send in proper documentation of each and every course they claimed on their renewal. A certificate of completion is a document from the program sponsor that indisputably proves your attendance or proof of teaching or

proof of a published article. Brochures, advertisements, emails confirming reservations or payment, copies of powerpoint presentations and the like are not acceptable documentation. If you have questions about what qualifies please review the new administrative rules Ac403.02 (d) -(g) on our web site under New News.

# Investigations, Complaints and Disciplinary Actions



The Board conducts proceedings for the purpose of acquiring sufficient information to make fair

and reasonable decisions on matters within its statutory jurisdiction, including decisions on applications and complaints filed against licensees. The majority of complaints this Board receives stems

from improper record retention, miscommunication or other related issues. Most of these complaints are settled without any action required by the Board. However, there are cases where professional misconduct has occurred that require this Board to take disciplinary action ranging from the CPA taking continuing education to the revocation of the CPA's certificate.

Please familiarize yourself with the rules regarding outsourcing, record retention, peer review requirements and continuing education

requirements. If you become the subject of a complaint, cooperating with the Board is advantageous for all parties. Our goal is to seek out the facts and assist the licensee in maintaining compliance and to insure that the public has the protection afforded to it under the law. If you have questions about your practice, or compliance issues, please contact the Board.

**Staying current and knowing the rules which govern your practice is a necessary step in maintaining compliance.**

## Experience Requirements

As an examination candidate prepares for the CPA exam and prepares to enter the profession, the experience requirement is essential in becoming a CPA. Candidates with a bachelors degree must obtain a full two years of public accounting experience or one full year with a Masters in Business Administration, Finance, Accounting or Taxation. This experience must be in public accounting under the direction of a licensee holding a designation rec-

ognized by the board. Private consulting firms, even if they are instructing Sarbanes Oxley and under the direction of a licensee does not qualify as public accounting experience. The only alternative is specific governmental experience and is only acceptable under strict guidelines found in the statutes and in the rules.

The details to the public accounting

experience requirement can be found in the rules and are helpful in assisting the employee and employer in ensuring that the employee meets the requirement. Please contact the Board if you should have any questions regarding what qualifies as experience.

## CPA Exam

### CPA Examination Statistics

With the conversion of the CPA Exam from a pen and paper exam to a computerized exam in April 2004, the number of candidates sitting for the exam for New Hampshire has grown.

In November 2003, the last pen and paper exam was administered to 1,298 candidates in the State of Hampshire. The first few months of the computerized exam which ran from April 2004 through June 2005 were somewhat low;

however, for the subsequent period of July 2005 through June 2006 the numbers increased to 3,181 tested candidates and for the period of July 2006 through June 2007, 3,552 candidates were tested.

New Hampshire is fortunate as there is diversity in the origins of the candidates taking the CPA exam. We have candidates from almost every major country in the world and from almost every culture. These candidates apply through New Hampshire using the

National Association of State Board of Accountancy, CPA Examination Services. They apply from home, send in formal credentials to provide documentation of compliance, receive their NTS and come to the United States to sit. Upon completion they return home to earn the public accounting experience and eventually obtain the certification. If you or someone you know is thinking about taking the exam, please visit our website and review the "Frequently Asked Questions" page on our website.





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### **Upcoming Dates To Remember**

#### **Renewals**

Renewals for all licensees who's last name begins with A-F are due to be filed by June 30, 2008.

Renewals for firms are due by June 30, 2008

#### **Upcoming Board Meetings**

March 17, 2008 Board Meeting

April 28, 2008 Board Meeting

May 19, 2008 Board Meeting

(all Board meetings are subject to change, check website for rescheduled dates)

### **Mission Statement**

– It is the policy of the state of New Hampshire and the purpose of this agency, to promote the reliability of information that is used for guidance in financial transactions or for accounting for or assessing the financial status or performance of commercial, non-commercial, and governmental enterprises.

## **Board Members & Staff**

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#### **Secretary**

Dr. Richard O. Hanson, CPA

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Deborah Butler, CPA

Wayne B. Geher, CPA

Owen Walton, Public Accountant

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**The information contained in this newsletter is not all inclusive and is only informational in nature. Readers must refer to the specified laws and rules of the Board in order to obtain the full requirements. The Board and Board staff are available to respond to your questions and concerns.**